

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Global Expedited Package Services 7 (MC2016-196)
Negotiated Service Agreement

Docket No. CP2017-141

ORDER APPROVING MODIFICATION TO
GLOBAL EXPEDITED PACKAGE SERVICES 7
NEGOTIATED SERVICE AGREEMENT

(Issued March 30, 2017)

I. INTRODUCTION

The Postal Service seeks to modify a Global Expedited Package Services 7 negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Modification.

In Order No. 3838, the Commission approved the Global Expedited Package Services 7 negotiated service agreement (Existing Agreement).² On March 29, 2017,

¹ Notice of the United States Postal Service of Filing Modification One to a Global Expedited Package Services 7 Negotiated Service Agreement, March 29, 2017 (Notice). The modification is an attachment to the Notice (Modification).

² Order Approving Additional Global Expedited Package Services 7 Negotiated Service Agreement, March 29, 2017 (Order No. 3838).

the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

In the Existing Agreement, Annex 1D – Price Chart 3 was mislabeled.³ The Modification corrects the title of the price chart. Notice, Attachment 1 at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

Other considerations. The Amendment does not change either the effective date or the expiration date of the Existing Agreement. If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified.

³ See Response of the United States Postal Service to Chairman's Information Request No. 1, March 24, 2017.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Expedited Package Services 7 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the scheduled expiration date.

By the Commission.

Stacy L. Ruble
Secretary